



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 18, 1995

TO: Daron Haddock, Permit Supervisor

FROM: Paul Baker, Reclamation Biologist *PAB* *#2*

RE: Draft Review, Operator Designation, Crandall Canyon Mine, Genwal Coal Company, ACT/015/032, Working File, Emery County, Utah

SYNOPSIS

Genwal Coal Company is proposing to designate GENWAL Resources, Inc., a subsidiary of Andalex Resources, Inc., as operator of the Crandall Canyon Mine. This action is pending approval of the transfer, assignment and sale of Nevada Electric Investment Company's interest in the mine to Andalex. GENWAL Resources is a new Utah corporation.

The Division received the original proposal to designate GENWAL Resources as the operator on December 20, 1994. The application was approved with conditions on January 11, 1995. On January 13, 1995, the Division received a revised amendment application to designate GENWAL Resources as the operator. Problems noted in the first submittal have been resolved. On January 11, 1995, the Division received a permit transfer application including revised pages for the mining and reclamation plan. Although this submittal has yet to be reviewed, Genwal has satisfied the conditions of the operator designation approval.

ANALYSIS

IDENTIFICATION OF INTERESTS, VIOLATION INFORMATION, AND RIGHT OF ENTRY INFORMATION

Regulatory Reference: UCA R645-301-112; R645-301-113; R645-301-114

Analysis:

Identification of Interests

Genwal Coal Company, Inc., is proposing to designate GENWAL Resources, Inc. (hereafter GENWAL), a Utah corporation, as operator of the Crandall Canyon Mine. The application says the text of Chapter 1 of Genwal's mining and reclamation plan will be updated to include this information upon the Division's approval of the application.



The resident agent who will accept service of process and will pay the abandoned mine reclamation fee is Jay Marshall. The application contains GENWAL's employer identification number.

The application includes the names, titles, and dates positions were assumed for GENWAL's officers and directors. GENWAL is owned and controlled by Andalex Resources, Inc., which, in turn, is owned by Andalex Resources B. V.; Andalex Resources, S. A.; Andalex Holdings, Ltd.; and The Andrew Trust. Appendix A shows these entities and their addresses, telephone numbers, and officers and directors. The application says there are no employee [sic] identification numbers for Andalex Resources B. V.; Andalex Resources, S. A.; Andalex Holdings, Ltd.; or The Andrew Trust.

Appendix B contains the names, addresses, regulatory authorities, SMCRA permit numbers, MSHA numbers including date of issuance, and employer identification numbers for affiliated operations. This information has not been updated since May 15, 1992, but it is assumed to be accurate.

MSHA numbers, surface and mineral ownership of the land within and adjacent to the permit area, and the statement of interest in lands contiguous to the permit area do not change with the amendment application.

Violation Information

The application says GENWAL is a new entity and has no past history of violations. Appendix C contains a list of all violations received by Andalex and affiliated companies within the three years prior to the date of this application.

According to the application, neither GENWAL nor Andalex Resources, Inc., or affiliates or persons controlled by or under common control with Andalex has had a mining permit suspended or revoked in the last five years. They also have not forfeited a mining bond or similar security in lieu of bond. Andalex and affiliated companies have no unabated air or water quality violation notices at any coal mining and reclamation operations they own or control.

Right-of-Entry Information

The coal leases were issued to Genwal Coal Company, the permittee. With the designation of operator, the permittee will not change. Therefore, no new right-of-entry information is required.

Findings:

Portions of the application relating to these regulations are complete and accurate.

UNSUITABILITY CLAIMS

Regulatory Reference: UCA R645-301-115

Analysis:

The unsuitability status will not change as a result of the designation of a new operator.

Findings:

This section of the application is complete and accurate.

PERMIT TERM, INSURANCE, PROOF OF PUBLICATION, FACILITIES OR STRUCTURES USED IN COMMON, FILING FEE, NOTARIZED SIGNATURE

Regulatory Reference: UCA R645-301-116; R645-301-117; R645-301-118; R645-301-123

Analysis:

The permit term will not change as a result of the operator designation.

The application says a certificate of insurance is attached as Exhibit D. Appendix D contains a certificate of liability insurance issued by the Federal insurance Company to Andalex Resources, Inc. The underwriting agent is J. Craig Riddle Company, Inc., and the policy number is 3710-25-94. The policy was signed by the agent December 20, 1994, and it became effective July 1, 1994.

The certificate is the Division's form for liability insurance. It includes 300,000 minimum coverage for bodily injury and property damage for each occurrence and \$500,000 aggregate. The mine shown on the certificate is the Crandall Canyon Mine, and the permit number is ACT/015/032.

The application says N/A under advertisement, shared facilities, filing fee, and permit application format and contents sections. Although no public notice is required for the current change application, a permit transfer requires public notice in accordance with R645-303-322.

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The December 20, 1994, submittal includes a statement with the notarized signature of Michael W. Glasson saying he is authorized to complete and file the permit change on behalf of GENWAL Resources, inc., and that the information in the application is true and correct to the best of his information and belief. In addition, the Application for Permit Change form accompanying the application includes a statement with the notarized signature of Jay Marshall, the permittee's resident agent, saying he is a responsible official of the applicant and that the information in the application is true and correct to the best of his information and belief.

Findings:

This section of the application is complete and accurate.

RECOMMENDATIONS

Genwal has satisfied the conditions included with approval of the operator designation amendment.